

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

AUDITED FINANCIAL STATEMENTS

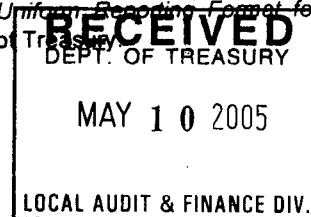
YEAR ENDED DECEMBER 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name NORTHEAST INGHAM EMERGENCY SERVICE	AUTHORITY	County INGHAM
Audit Date DECEMBER 31, 2004	Opinion Date MAY 2, 2005	Date Accountant Report Submitted to State: MAY 9, 2005		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.



We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	x		
Reports on individual federal financial assistance programs (program audits).			x
Single Audit Reports (ASLGU).			x

Certified Public Accountant (Firm Name) DAVID E. HADDRILL, PC			
Street Address 834 N. CAPITOL AVE	City LANSING	State MI	ZIP 48906-5114
Accountant Signature <i>David E. Haddrill, P.C.</i>		Date	

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	2-5
Statement of Net Assets	6
Statement of Activities	7
Balance Sheet - Governmental Fund	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund	9
Notes to Financial Statements	10-13
Required Supplementary Information	14
Statement of Revenues, Expenditures and Changes in Fund Balance	
General Fund	15
Additional Information	16
General Fund	
Schedule of Revenues	17
Schedule of Appropriations and Expenditures	18-20

David E. Haddrill, P.C.
Certified Public Accountant

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May 2, 2004

Board Members
Northeast Ingham Emergency Service Authority

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northeast Ingham Emergency Service Authority as of and for the year ended December 31, 2004, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility Northeast Ingham Emergency Service Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Northeast Ingham Emergency Service Authority as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the Authority has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2004.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northeast Ingham Emergency Service Authority basic financial statements. The statements of revenues, expenditures and changes in fund balance, and the General Fund Schedule of Revenues and Schedule of Appropriations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David E. Haddrill, P.C.

Certified Public Accountant

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Board of Northeast Ingham Emergency Service Authority, we offer readers of the authority's financial statements this narrative overview and analysis of the financial activities of Northeast Ingham Emergency Service Authority for the fiscal year December 31, 2004.

Financial Highlights

The assets of Northeast Ingham Emergency Service Authority exceeded its liabilities at December 31, 2004 by \$1,509,404 (net assets). Of this amount, \$492,476 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Northeast Ingham Emergency Service Authority's governmental fund reported an ending fund balance of \$492,476, an increase of \$155,750 in comparison with the prior year. The total amount, \$492,476, is available for spending at the authority's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$492,476, or 72 percent of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Northeast Ingham Emergency Service Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Authority's financial position is improving or deteriorating.

The statement of activities presents information showing how of the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements report the functions of the Authority, which are principally supported by taxes and service fees (governmental activities). The governmental activity of the Authority is public safety.

The government-wide financial statements can be found on pages 6 and 7 of this report

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Northeast Ingham Emergency Service Authority, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund of the authority is a governmental fund.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental fund financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Northeast Ingham Emergency Service Authority maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund.

The Authority adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-13 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Northeast Ingham Emergency Service Authority, assets exceeded liabilities by \$1,509,404 at the close of the most recent fiscal year.

A significant portion of the Authority's net assets (67 percent) reflects its investment in capital assets (e.g., land, building, and equipment). The Authority used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

AUTHORITY'S NET ASSETS

	Total
Current and other assets	\$ 536 847
Capital assets	<u>1 320 800</u>
Total assets	<u>1 857 647</u>
Current liabilities	44 371
Long-term debt outstanding	<u>303 872</u>
Total liabilities	<u>348 243</u>
Net Assets	
Invested in capital assets	1 016 928
Unrestricted	<u>492 476</u>
Total net assets	<u>\$ 1 509 404</u>

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Of the Authority's net assets, \$492,476 may be used to meet the Authority's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its governmental activities.

The Authority's net assets increased by \$119,224 during the current fiscal year as discussed below.

Governmental Activities. Governmental activities increased the Authority's net assets by \$119,224.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Authority's Funds

As noted earlier, the Authority used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The focus of the authority's governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Authority's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's governmental fund reported an ending fund balance of \$492,476, an increase of \$155,750 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the Authority's discretion.

The general fund is the operating fund of the Authority. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$492,476. Unreserved fund balance represents 72 percent of the total general fund expenditures.

The fund balance of the Authority's general fund increased by \$155,750 during the current fiscal year.

General Fund Budgetary Highlights

There were no differences between the original total budget and the final amended total budget.

Capital Asset and Debt Administration

Capital Assets. The authority's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$1,016,928 (net of accumulated depreciation). This investment in capital assets includes: land, building and equipment. The total decrease in the Authority's investment in capital assets for the current fiscal year was 5.1 percent. Details of the Authority's capital assets are continued in the notes to the financial statements on page 12.

Long-Term Debt. At the end of the current fiscal year, the Authority had installment debt outstanding of \$303,872. The debt is secured by the vehicle purchased. Additional information on the Authority's long-term debt can be found in the notes on page 13.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget and Rates

The Authority's millage rate was reduced again by the Headlee Amendment rollback. This factor was considered in preparing the Authority's budget for the 2005 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$492,476. The Authority has presented a budget in the 2005 fiscal year that appropriates \$40,911 of the General Fund unreserved fund balance.

Request for Information

This financial report is designed to provide a general overview of Northeast Ingham Emergency Service Authority's finances for all those with an interest in the authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Northeast Ingham Emergency Service Authority at (517) 655-1383.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2004

	<u>Governmental activities</u>
<u>ASSETS</u>	
Cash	\$ 309 160
Certificates of deposit	176 444
Accrued interest receivable	310
Accounts receivable	47 144
Prepaid expenses	3 789
Capital assets - net	<u>1 320 800</u>
Total assets	<u>1 857 647</u>
<u>LIABILITIES</u>	
Accounts payable	29 053
Accrued payroll	15 318
Installment loan	<u>303 872</u>
Total liabilities	<u>348 243</u>
<u>NET ASSETS</u>	
Invested in capital assets	1 016 928
Unrestricted	<u>492 476</u>
Total net assets	<u>\$ 1 509 404</u>

See accompanying notes to financial statements.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2004

Functions/Programs	<u>Expenses</u>	<u>Charges for services</u>	<u>Net expense (revenue)</u>
Primary government			
Public safety	\$ 705 638	\$ 234 981	\$ 470 657
Interest on installment loan	<u>18 596</u>		<u>18 596</u>
Total governmental activities	<u>\$ 724 234</u>	<u>\$ 234 981</u>	<u>489 253</u>
General revenues			
Property taxes			592 251
Other			10 017
Interest income			<u>6 209</u>
Total general revenues			<u>608 477</u>
Change in net assets			119 224
Net assets, at beginning of year			<u>1 390 225</u>
Net assets, at end of year			<u>\$ 1 509 449</u>

See accompanying notes to financial statements.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUND

DECEMBER 31, 2004

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 309 160
Certificates of deposit	176 444
Accrued interest receivable	310
Accounts receivable	47 144
Prepaid expenses	<u>3 789</u>
Total assets	<u>536 847</u>
<u>LIABILITIES</u>	
Accounts payable	29 053
Accrued payroll	<u>15 318</u>
Total liabilities	<u>44 371</u>
<u>FUND BALANCES</u>	
Unreserved	
Undesignated	451 565
Designated for subsequent years expenditures	<u>40 911</u>
	492 476
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of \$1,992,209, net of accumulated depreciation of \$671,409 are not financial resources and are not reported in the funds	1 320 800
Installment debt is not due and payable in the current period and is not reported in the funds	<u>(303 827)</u>
Net assets of governmental activities	<u>\$1 509 449</u>

See accompanying notes to financial statements.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND

YEAR ENDED DECEMBER 31, 2004

	General Fund
REVENUES	
Taxes	\$ 592 251
Charges for services	234 981
Other	10 017
Interest	<u>6 209</u>
Total revenues	<u>843 458</u>
EXPENDITURES	
Public safety	634 257
Debt service	<u>53 451</u>
Total expenditures	<u>687 708</u>
Excess of revenues over expenditures	155 750
FUND BALANCE, at beginning of year	<u>336 726</u>
FUND BALANCE, at end of year	<u>\$ 492 476</u>
Excess of revenues over expenditures	\$ 155 750
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. Current period capital outlays of \$48,011 were exceeded by depreciation expense of \$119,392.	(71 381)
Repayment of installment loan principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces installment loan debt).	<u>34 855</u>
Change in net assets of governmental activities	<u>\$ 119 224</u>

See accompanying notes to financial statements.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northeast Ingham Emergency Service Authority was formed on July 1, 1998, by the City of Williamston, the Townships of Williamstown, Wheatfield, Locke and Leroy, and the Village of Webberville. Becoming operational on January 1, 1999, the Authority provides fire, ambulance, and related emergency services in the area encompassed by the incorporating units of government. It has the power to acquire and own property, enter into contracts, and, with voter approval, levy property taxes. Each incorporating municipality has one voting member on the governing board of the Authority.

The initial assets and liabilities of the Authority were those transferred from the Williamston Community Fire Board, which dissolved on December 31, 1998. The members of the Fire Board were the City of Williamston, Township of Williamstown and Township of Wheatfield.

The accounting policies of the Northeast Ingham Emergency Service Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity

The accompanying financial statements present the authority with no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Northeast Ingham Emergency Service Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Northeast Ingham Emergency Service Authority property tax is levied on December 1 on the taxable valuation of property (as defined by State statutes) located in Northeast Ingham Emergency Service Authority's service area as of the preceding December 31. It is Northeast Ingham Emergency Service Authority's policy to recognize revenue from the current tax levy in the succeeding year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (90 days).

The Government reports the following major governmental fund:

The General Fund is the government's only operating fund. It accounts for all financial resources of the general government.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

Amounts reported as program revenue include charges to customers or applicants for goods, services or privileges provided. General revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on February 14 of the following year and are turned over to Ingham County for collection after February 28.

Capital Assets - Capital assets, which include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	20 years
Vehicles	20 years
Equipment	10 years
Computer equipment	5 years

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. By state law, expenditures may not exceed budgeted amounts and a fund deficit may not be budgeted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. All budget amendments are approved by the Authority Board.

(3) CASH DEPOSITS

All of the Authority's funds are received by the Authority Treasurer and deposited with institutions approved by the Authority Board. At December 31, 2004, the Authority had \$485 604 on deposit at two local banks of which \$200,000 was covered by FDIC insurance.

(4) CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance January 1, 2004	Increases	Decreases	Balance December 31, 2004
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 110 253	\$	\$	\$ 110 253
Capital assets being depreciated				
Buildings	108 500			108 500
Equipment	1 784 816	48 011	59 371	1 773 456
Subtotal	1 893 316	48 011	59 371	1 881 956
Less accumulated depreciation for				
Buildings	13 563	5 425		18 988
Equipment	597 825	113 967	59 371	652 421
Subtotal	611 388	119 392	59 371	671 409
Net capital assets being depreciated	1 281 928	(71 381)		1 210 547
Governmental activities capital total				
Capital assets - net of depreciation	\$1 392 181	\$(71 381)	\$	\$1 320 800

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities - General government

\$ 119 392

(5) LONG-TERM DEBT

At year end the Authority had an outstanding installment debt of \$303,872. Annual payments are \$53,451 including interest at 5.49 percent through 2011. The debt is secured by the vehicle. Annual debt service requirements to maturity (to be paid by the General Fund) are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 36 769	\$ 16 682
2006	38 787	14 664
2007	40 917	12 534
2008	43 163	10 288
2009	45 533	7 919
2010-2011	<u>98 703</u>	<u>8 201</u>
	<u>\$ 303 872</u>	<u>\$ 70 288</u>

(6) RISK MANAGEMENT

Northeast Ingham Emergency Service Authority is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Northeast Ingham Emergency Service Authority has purchased commercial insurance for property, liability, wrongful acts, crime inland marine and other risks of loss including workers' compensation and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2004

	Original and final budget	Actual
REVENUES	<u>\$779 602</u>	<u>\$843 458</u>
EXPENDITURES		
Public safety	739 216	634 257
Debt service	<u>53 000</u>	<u>53 451</u>
Total expenditures	<u>792 216</u>	<u>687 708</u>
Excess(deficiency) of revenues over expenditures	(12 614)	155 750
FUND BALANCE, at beginning of year	<u>336 726</u>	<u>336 726</u>
FUND BALANCE, at end of year	<u>\$324 112</u>	<u>\$492 476</u>

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

GENERAL FUND

SCHEDULE OF REVENUES

YEAR ENDED DECEMBER 31, 2004

	<u>Original and final budget</u>	<u>Actual</u>
REVENUES		
Taxes - operating	\$583 102	\$592 251
Charges for services	195 000	234 981
Other		10 017
Interest income	<u>1 500</u>	<u>6 209</u>
Total revenues	<u>\$779 602</u>	<u>\$843 458</u>

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

YEAR ENDED DECEMBER 31, 2004

	Original and final budget	Actual
EXPENDITURES		
Administrative		
Administrator	\$ 45 000	\$ 660
Office Manager	34 000	34 654
Biller	11 000	10 202
Payroll taxes	6 886	3 973
Fringe benefits	9 825	4 155
Office supplies	4 100	5 824
Postage	1 750	2 206
Audit and accounting	4 000	2 750
Legal	12 000	12 435
Insurance	60 000	53 863
Training	1 000	125
Printing and publishing	800	716
Repair and maintenance	1 250	750
Miscellaneous	700	1 976
Capital outlay	8 000	4 113
Total administrative	<u>200 311</u>	<u>138 402</u>
Building and grounds		
Snow removal	4 000	1 730
Supplies	1 400	
Utilities	14 500	10 932
Building rental		2
Repair and maintenance	14 200	17 815
Miscellaneous		414
Capital outlay	<u>20 000</u>	<u>5 811</u>
Total building and grounds	<u>54 100</u>	<u>36 704</u>

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

YEAR ENDED DECEMBER 31, 2004

	Original and final budget	Actual
Communication		
Cellular phones	\$ 1 800	\$ 782
Cable/internet	860	640
Telephone	3 700	3 380
Maintenance and repair	3 000	1 843
Capital outlay	10 000	
Total communication	19 360	6 645
Fire		
Chiefs and assistants	21 800	20 051
Personnel	37 000	36 120
Payroll taxes	5 000	4 957
Supplies	5 500	2 147
Uniforms	1 250	820
Gas and oil	2 850	3 478
Licenses and fees	400	205
Intergovernmental service fees	11 575	10 765
Training	9 000	11 770
Health exams	3 500	697
Community promotion	1 600	1 357
Equipment repair and maintenance	19 200	24 041
Miscellaneous	1 200	521
Capital outlay	30 000	26 517
Total fire	149 875	143 446
Ambulance		
EMS Director	51 050	51 651
Personnel	177 000	170 778
Payroll taxes	17 445	17 004
Fringe benefits	30 000	22 155
Oxygen	1 000	1 685
Gas and oil	3 750	4 729
Laundry	600	657
Uniforms	4 250	3 950

See accompanying notes to financial statements.

NORTHEAST INGHAM EMERGENCY SERVICE AUTHORITY

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

YEAR ENDED DECEMBER 31, 2004

	Original and final budget	Actual
Ambulance (continued)		
Supplies	\$ 7 500	\$ 8 490
License and fees	750	1 330
Training	6 000	5 430
Health	1 500	185
Community promotion	500	
Equipment repair and maintenance	9 725	9 446
Capital outlay	<u>4 500</u>	<u>11 570</u>
Total ambulance	<u>315 570</u>	<u>309 060</u>
Debt service		
Principal	34 500	34 855
Interest	<u>18 500</u>	<u>18 596</u>
Total debt service	<u>53 000</u>	<u>53 451</u>
Total expenditures	<u>\$ 792 216</u>	<u>\$ 687 708</u>

David E. Haddrill, P.C.
Certified Public Accountant

834 N. Capitol, Lansing, MI 48906-5114
517/484-4200 Fax: 517/484-4262

May 2, 2005

Board Members
Northeast Ingham Emergency Service Authority
Williamston, Michigan

We have completed our examination of the financial statements of the Northeast Ingham Emergency Service Authority for the year ended December 31, 2004. During our examination, we reviewed certain accounting, business and other procedures as part of our evaluation of the system of internal controls. Our examination would not necessarily disclose all areas where improvements could be made. Accordingly, we submit the following for your consideration.

PRIOR RECOMMENDATIONS

The Authority still has seven years left on a capital lease incurring interest charges at 5.49%. At December 31, 2004, Authority had over \$480,000 in cash and certificates of deposit, paying approximately 1.5% interest or less. To realize significant savings in net interest costs, we still recommend the Board consider prepaying some of the remaining capital lease payments.

To improve the audit trail from source documents to final financial statements, we again recommend that the appropriate revenue or other account number be written on the backup documentation for cash receipts, i.e. remittance advices, copies of checks received.

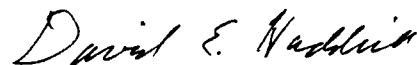
ACCOUNTS RECEIVABLE

The Authority's collection of ambulance billings is much improved over previous years. However, only about one third of billable fire runs are ultimately collected. We urge increased efforts to timely bill and collect for fire runs that are billable.

We would like to thank all personnel for their assistance during our audit. If we can be of service regarding discussion or implementation of the above, we would be pleased to assist you.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization.

Sincerely,



David E. Haddrill
Certified Public Accountant